

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3360-01
BILL NO.: HB 1414
SUBJECT: Contracts and Contractors; Utilities
TYPE: Original
DATE: February 16, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0 to (Unknown)	\$0 to (Unknown)

Numbers within parentheses: () indicate costs or losses

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Department of Transportation (DHT) officials assume since DHT's underground facilities are located on DHT property and the lines provide service to its agency's real property and are owned solely by DHT, then DHT's underground facilities are not subject to One-Call. Therefore, DHT officials assume this proposal would have no fiscal impact.

Officials from the **Department of Natural Resources (DNR)** assume the authorities and corresponding responsibilities relating to reporting requirements of activities which fall under the purview of the department of natural resources are not impacted by these provisions. Accordingly, all environmental rules and regulations would still have to be adhered to (i.e. oil spill reporting requirements).

Prior to conducting in-house excavation activities within the department's state park system, the department currently investigates and researches for potential underground facilities. Requiring participation in a statewide notification center would provide greater assurance of the location of these facilities and also certain protection against damages from non-participating facilities.

Officials from the **City of St. Louis - Department of Public Utilities** assume the added expense is not readily available to estimate to the City of St. Louis Water Division. The impact to smaller utilities could become an even greater burden.

Officials from the **Missouri Department of Conservation (MDC), Department of Economic Development - Public Service Commission (PSC), Department of Economic Development - Office of Public Counsel (OPC), Office of Administration - Division of Design and Construction (D&C), Greene County - Recorder of Deeds, City of Kansas City and the Kansas City MO Water Services** assume the proposed legislation would have no fiscal impact on their agencies.

Officials from **St. Louis County, Jackson County and Cape Girardeau County - Recorder of Deeds** did not respond to our fiscal impact request.

Local Government - Fiscal Impact

Oversight assumes that all municipalities, counties, and county water districts who would have underground facilities would experience some fiscal impact from being required to be members of the notification center. Currently, only municipalities with underground natural gas facilities

ASSUMPTION (continued)

are required to be members of one-call. Oversight assumes that any fiscal impact resulting from membership and user fees would not be significant to any one political subdivision. Oversight will show fiscal impact to local governments as \$0 to (Unknown).

Oversight assumes that Recorder of Deeds would no longer be required to keep registration from owners of underground facilities thereby decreasing the administrative functions currently required.

The county would also experience a reduction in fees currently collected from these recordings. Oversight assumes that the trade off of reduced administrative duties verses the loss of fees would result in zero fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002	FY 2003
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (6 Mo.)	FY 2002	FY 2003
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Political Subdivisions

*Costs - Participation in
notification center

<u>\$0</u>	<u>\$0 to</u>	<u>\$0 to</u>
	<u>(Unknown)</u>	<u>(Unknown)</u>

***Costs to political subdivisions is not expected to be significant.**

FISCAL IMPACT - Small Business

This proposal would impact small businesses which are owners of underground facilities and are not members of the current notification program by adding identification and membership expenses to their operation.

DESCRIPTION

This bill makes several change to underground facility safety and damage prevention laws. The bill:

- (1) Requires all current owners and operators of underground pipeline facilities to participate in a statewide notification center by January 1, 2002. Participation in the notification center is mandatory after January 1, 2002. Current law does not require participation.
- (2) Requires notification centers to maintain a current list of participating owners and operators, which must be made available to excavators upon request. The notification centers may charge a reasonable fee to those requesting a copy of the list to cover the costs of printing and mailing;
- (3) Changes notification requirements. Until December 31, 2001, excavators must notify the notification center and directly notify those owners and operators registered with the Recorder of Deeds at least 2 but not more than 10 working days prior to excavation. Effective January 1, 2002, notice to the notification center is considered notice to all owners and operators of underground facilities;
- (4) Allows excavators to continue working in a marked area so long as the markings are visible. If the markings become unusable, the excavator must call the notification center to request remarking. The excavator must exercise reasonable care not to obliterate the markings unnecessarily;
- (5) Prohibits after January 1, 2002, the recovery of damages by any owner or operator failing to participate in the notification center when notice of excavation was given;
- (6) Changes the damage notification requirement from notifying the notification center and the owner or operator to notifying only the notification center effective January 1, 2002; and
- (7) Specifies in which emergency situations excavation is allowed without regard to notification requirements. Emergency excavation is allowed for unexpected occurrences, including fires, floods, earthquakes, and riots.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Transportation

MLW:KLM:LR:OD:005 (9-94)

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Department of Natural Resources
City of St. Louis - Department of Public Utilities
Missouri Department of Conservation
Department of Economic Development - Public Service Commission
Department of Economic Development - Office of Public Counsel
Office of Administration - Division of Design and Construction
Greene County - Recorder of Deeds
City of Kansas City
Kansas City MO Water Services

NOT RESPONDING: St. Louis County, Jackson County, Cape Girardeau County - Recorder of Deeds

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "e" at the end.

Jeanne Jarrett, CPA
Director
February 16, 2000